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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 5158
INFO RUEHAC/AMEMBASSY ASUNCION 4057
RUEHBO/AMEMBASSY BOGOTA 2470
RUEHBU/AMEMBASSY BUENOS AIRES 1571
RUEHBR/AMEMBASSY BRASILIA 0989
RUEHCV/AMEMBASSY CARACAS 2157
RUEHPE/AMEMBASSY LIMA 6269
RUEHMN/AMEMBASSY MONTEVIDEO 4475
RUEHQT/AMEMBASSY QUITO 2472
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000623

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - JULY 6

Leading Story

11. All dailies ran front-page stories on the latest development in Honduras, highlighting that demonstrations left at least two dead.

Chile-U.S.

12. Photo coverage of the July 4 reception at Ambassador Paul Simons' residence: "Hundreds of guests arrived at the residence for the reception, which had a theme of Abraham Lincoln and Barack Obama. In addition, Ambassador Simons with Ministers Marcelo Tokman and Sergio Bitar planted the last bush of the xeri-scaping project at the residence, a landscaping method based on the use of native plants, and an efficient use of energy and resources to protect the environment. Amid red, white and blue balloons, the guests were also able to listen to Secretary Hillary Clinton's taped Fourth of July message." (Sunday edition, El Mercurio, conservative, influential newspaper-of-record, 7/5).

13. Chilean Jose Miguel Larenas was injured by a land mine at the age of 18 in northern Chile. Now, thanks to U.S. Department of Defense (DARPA) funding, Larenas designed a system to locate, deactivate, and remove land mines using robots. There are still 100,000 anti-personnel land mines left in Chile (El Mercurio, 7/5).

14. Deputy Treasury Secretary Neal Wolin attended the Second Finance Ministerial of the Americas and the Caribbean in Vina del Mar. "Consumer confidence is the highest it has been in the last sixteen months and credit flow is recovering, so although there is still work to be done, things are moving in the right direction," said Wolin (Diario Financiero, business and financial, 7/6).

15. World Bank President Robert Zoellick, who attended the Finance Ministerial, praised Chile's savings and monetary policy, flexible and competitive exchange rate, and low public debt, stating this would enable it to quickly recover from the crisis (El Mercurio, 7/3; Diario Financiero, 7/6).

16. Photo of the Navy fleet during the last stage of the Teamwork South 2009 exercises off the coast of Iquique in northern Chile (Metro newspaper Publimetro, 7/3).

17. There are 26 Chileans in U.S. prisons. Among them are Diego Alcalde, recently sentenced to life for raping and murdering a college student in Colorado; Luis Castro, who videotaped his raping of a seven-year old girl and took the tape into the United States;

Luis Moreno, who has ties to arms dealer Al Kassab (La Tercera, conservative, independent, 7/5).

¶18. In a letter to the editor, a woman says she has "never felt so discriminated against" as when she was turned down for a U.S. visa. "It seems that my salary was not enough nor that my son in law, an American citizen, would pay for my expenses, nor that I own a home and have a daughter who is a professional" (Metro newspaper Publimetro, 7/4).

Local Politics

¶19. Adimark-GFK survey gives Bachelet a 74% approval rating, which is three points higher than in May and the highest rate of any president since the re-establishment of democracy (1989). This rate of approval is related to her Government's economic management and therefore the country's ability to confront the economic crisis. On the other hand, her administration ranked poorly with regard to its performance in education, health, transportation, and the fight against crime and corruption (El Mercurio, 7/4).

¶10. Commentary: "Bachelet's high approval rating is opposite to the rate of disapproval of her government in specific areas. The President is loved and respected; her economic policy is her strength. But the government does not score well in health, education, transportation, fight against crime and corruption.... Bachelet swept all the categories related to personal attributes. Chileans seem to be enamored with her.... There are two ways to interpret this. First... when Chileans like someone, they attribute more positive qualities to that individual in other relevant areas. 'Love and caring' seems to be the criteria that Chileans use to choose their candidates and evaluate their presidents" (La Tercera, conservative, independent, Patricio Navia commentary, 7/4).

¶11. La Tercera survey shows that Chileans admire President Obama and consider him more trustworthy than any other president in the region. On a score of 1 to 7 (seven being the highest), Obama received a 6. Two years ago, President Bush received a 3. The perception of the Chile-U.S. relationship also improved. While two years ago 70% labeled bilateral relations "good," the most recent survey shows it is up to 92% (La Tercera, 7/5).

Honduras

¶12. Editorial: "The Honduras case is evidence of a growing threat to democracy in Latin America... whereby democratically elected leaders begin dismantling institutions and amending laws and constitutions to try to suffocate the opposition. The events in the small Central American country are an unfortunate reaction against the Chavez model. . . and regardless of the outcome to this crisis, will set a precedent in Latin America" (El Mercurio, 7/4).

¶13. Editorial: "The threat to Democracy in Latin America": "A trend... has risen in the region that weakens and threatens to destroy democracies. . . . Democratically elected leaders. . . ignore constitutional boundaries and refuse their citizen basic rights. . . Thanks to condescending judicial systems and congresses that play no role in countering them, these leaders gain full authority.... The OAS has been inconsistent in sanctioning these countries.... It's important for multilateral organizations to carry out the role for which they were created.... The successful experience of the European Union... shows that adequate incentives can favorably influence effective and long-lasting democratization" (La Tercera, 7/5).

¶14. Editorial: "Chile has the moral obligation to take an active role in denouncing and find a way to recover from the democratic break in Honduras. We know very well how coup d'etats start and how they end, and they are always presented as the 'inevitable' solution to an institutional breakdown" (La Nacion, government-owned, editorially independent, La Nacion, 7/5).

¶15. Asked about the eventual return of Zelaya to Honduras, OAS Secretary General Jose Miguel Insulza said it was "too risky," but also said that it was for Zelaya to decide whether to return (El Mercurio, 7/5).

¶16. Honduras Ambassador to Chile, Francisco Martinez, said

the OAS should send a delegation to get a real sense of the situation in Honduras, "which is very different from what the international community believes." Martinez said that "more than 80% of Hondurans support Micheletti's government, because of the fear that Zelaya was imposing a "leftist model that strayed from the democratic spirit of the people of Honduras" (El Mercurio, 7/5).

¶17. OAS Secretary General Insulza said that after meeting with Honduran Supreme Court officials and Catholic Cardinal Oscar Rodriguez, he sees there is no intention to allow Zelaya to return to office. Reportedly, Supreme Court officials told Insulza that "no one is above the law" in Honduras, including Zelaya (El Mercurio, 7/4).

¶18. Journalist and former ambassador Jose Rodriguez Elizondo comments on Honduras: "It seems we are now before a preventive coup to stop Zelaya from turning into another Chavez." Asked about the role of the OAS in this conflict, Elizondo said it is important, because the United States is part of the OAS, and its stance can never be ignored" (La Tercera, 7/4).

URBAN